

103D CONGRESS  
1ST SESSION

# S. 1088

To amend the Public Health Service Act to provide grants for the development of rural telemedicine, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JUNE 10, 1993

Mr. HARKIN introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

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## A BILL

To amend the Public Health Service Act to provide grants for the development of rural telemedicine, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Rural Telemedicine  
5 Development Act of 1993”.

6 **SEC. 2. PURPOSE.**

7 It is the purpose of this Act to support the develop-  
8 ment of telemedicine projects that are designed to improve  
9 the delivery, accessibility and affordability of health care

1 services to Americans living in rural areas. This Act is  
2 intended to—

3           (1) assist rural hospitals and other rural health  
4       care providers in dealing with personnel shortages  
5       and shared staffing arrangements by providing such  
6       providers with the telecommunications technology  
7       necessary to maintain contact with itinerant staff  
8       and remote specialists;

9           (2) reduce the cost of care for rural patients  
10      and strengthen rural health care providers by using  
11      telecommunications technologies to permit such pa-  
12      tients to stay in their local hospitals and to receive  
13      other health services locally whenever possible and  
14      appropriate, by reducing paperwork costs and by im-  
15      proving coordination and efficiency in the delivery of  
16      health care;

17          (3) provide rural health care providers with ac-  
18      cess, via telecommunications systems, to equipment,  
19      specialists, and continuing education programs that  
20      are otherwise generally not available in rural areas;  
21      and

22          (4) demonstrate the effectiveness of fiber optics  
23      telecommunication systems in improving the quality  
24      and access of health care services in rural areas.

1 **SEC. 3. ESTABLISHMENT OF GRANT PROGRAMS.**

2 Title XVII of the Public Health Service Act (42  
3 U.S.C. 300u et seq.) is amended—

4 (1) in the title heading by striking out “AND  
5 HEALTH PROMOTION” and inserting in lieu  
6 thereof “, HEALTH PROMOTION AND  
7 TELEMEDICINE DEVELOPMENT”;

8 (2) by inserting after the title heading the fol-  
9 lowing:

10 **“Part A—Health Information and Health Promotion”;**

11 and

12 (3) by adding at the end thereof the following  
13 new part:

14 **“Part B—Telemedicine Development**

15 **“SEC. 1711. GRANT PROGRAM FOR PROMOTING THE INI-**  
16 **TIAL DEVELOPMENT OF RURAL**  
17 **TELEMEDICINE NETWORKS.**

18 “(a) ESTABLISHMENT.—The Secretary shall award  
19 grants to eligible entities described in section 1714(a) for  
20 the purpose of encouraging the initial development of rural  
21 telemedicine networks. Grants shall be awarded under this  
22 section to encourage the formation of rural health care  
23 networks that could benefit from the use of telecommuni-  
24 cations technology in providing health services to rural  
25 areas.

1       “(b) APPLICATION.—To be eligible to receive a grant  
 2 under this section an entity shall prepare and submit to  
 3 the Secretary an application at such time, in such manner  
 4 and containing such information as the Secretary may re-  
 5 quire, including a description of the use to which the entity  
 6 will apply any amounts received under such grant.

7       “(c) PREFERENCE IN AWARDING GRANTS.—The Sec-  
 8 retary shall, in awarding grant under subsection (a), give  
 9 preference to applicants that—

10           “(1) are participants in rural health care net-  
 11 works or that propose to form such networks;

12           “(2) can demonstrate broad geographic cov-  
 13 erage in the rural areas of the State, or States in  
 14 which the applicant is located; and

15           “(3) propose to use Federal funds to develop  
 16 plans for, or to establish, pilot telecommunications  
 17 systems that will link rural hospitals and other rural  
 18 health care providers to other hospitals, and health  
 19 care providers.

20       **“SEC. 1712. GRANT PROGRAM FOR THE ESTABLISHMENT OF**  
 21                       **ADVANCED RURAL TELEMEDICINE NET-**  
 22                       **WORKS.**

23       “(a) ESTABLISHMENT.—The Secretary shall award  
 24 grants to rural health networks for the purpose of linking  
 25 such networks together using advanced telemedicine sys-

1 tems. Grants shall be awarded under this section to fur-  
2 ther develop telemedicine projects initiated by these rural  
3 health care networks.

4 “(b) APPLICATION.—To be eligible to receive a grant  
5 under this section an entity shall prepare and submit to  
6 the Secretary an application at such time, in such manner  
7 and containing such information as the Secretary may re-  
8 quire, including a description of the use to which the entity  
9 will apply any amounts received under such grant.

10 “(c) MINIMUM QUALIFICATIONS.—The Secretary  
11 may not award a grant to an applicant under subsection  
12 (a) unless—

13 “(1) the applicant is determined by the Sec-  
14 retary to include one or more rural health network;  
15 and

16 “(2) the applicant can demonstrate broad geo-  
17 graphical coverage in the rural areas of the State or  
18 States in which it is located.

19 “(d) PREFERENCES IN AWARDING GRANTS.—The  
20 Secretary shall, in awarding grants under subsection (a),  
21 give preference to qualified applicants that—

22 “(1) can demonstrate that a majority of the  
23 hospitals and other providers participating in the ap-  
24 plicant group have functioned as networks for at

1       least 1 year prior to applying for funding under this  
2       section; and

3               “(2) will use amounts provided under the grant  
4       to provide a range of telecommunications applica-  
5       tions such as teleradiology, telepathology, interactive  
6       video consultation and remote educational services  
7       and to promote areawide health planning and great-  
8       er efficiency in administrative activities.

9   **“SEC. 1713. GRANT PROGRAM FOR THE ESTABLISHMENT OF**  
10                   **ADVANCED FIBER OPTIC BASED RURAL**  
11                   **TELEMEDICINE NETWORKS.**

12       “(a) ESTABLISHMENT.—The Secretary shall award  
13       grants to rural health networks for the purpose of linking  
14       these networks to existing fiber optic telecommunications  
15       systems.

16       “(b) APPLICATION.—To be eligible to receive a grant  
17       under this section an entity shall prepare and submit to  
18       the Secretary an application at such time, in such manner  
19       and containing such information as the Secretary may re-  
20       quire, including a description of the use to which the entity  
21       will apply any amounts received under such grant.

22       “(c) MINIMUM QUALIFICATIONS.—The Secretary  
23       may not award a grant to an applicant under subsection  
24       (a) unless—

1           “(1) the applicant is determined by the Sec-  
2       retary to include one or more rural health network;

3           “(2) the applicant group can demonstrate broad  
4       geographical coverage in the rural areas of the State  
5       or States in which it is located; and

6           “(3) the applicant group will participate in an  
7       existing fiber optic telecommunications system.

8       “(d) PREFERENCES IN AWARDING GRANTS.—The  
9       Secretary shall, in awarding grants under subsection (a),  
10      give preference to qualified applicants that—

11           “(1) will use grant funds to provide a range of  
12      telecommunications applications including  
13      teleradiology, telepathology, interactive video con-  
14      sultation and remote educational services and to pro-  
15      mote areawide health planning and greater efficiency  
16      in administrative activities;

17           “(2) demonstrate that the majority of the hos-  
18      pitals and other providers participating in the appli-  
19      cant group have functioned as networks for at least  
20      1 year prior to applying for funding under this sec-  
21      tion; and

22           “(3) will participate in an existing Statewide  
23      fiber optics cable system.

1 **“SEC. 1714. USE OF FUNDS FOR INITIAL DEVELOPMENT**  
2 **GRANT PROGRAMS.**

3 “(a) ELIGIBLE ENTITIES.—Entities eligible to re-  
4 ceive a grant under section 1711 shall include hospitals,  
5 hospital networks, and other health care providers.

6 “(b) USE OF AMOUNTS.—Amounts received under a  
7 grant awarded under section 1711 shall be utilized for the  
8 initial development of rural telemedicine networks, includ-  
9 ing the establishment of pilot telemedicine projects involv-  
10 ing two or more providers. Such amounts may be used  
11 to cover the costs associated with the development of  
12 telemedicine networks and the acquisition or construction  
13 of telecommunications facilities and equipment includ-  
14 ing—

15 “(1) the development and acquisition through  
16 lease or purchase of computer hardware and soft-  
17 ware, audio and visual equipment, computer network  
18 equipment, telecommunications transmission facili-  
19 ties, telecommunications terminal equipment, inter-  
20 active video equipment, data terminal equipment,  
21 and other facilities and equipment that would fur-  
22 ther the purposes authorized by this part;

23 “(2) the provision of technical assistance and  
24 instruction for the development and use of such pro-  
25 gramming, equipment, or facilities;



1           “(3) the development and acquisition of instruc-  
2           tional programming; or

3           “(4) such other uses that are consistent with  
4           achieving the purposes of this part as approved by  
5           the Secretary.

6   **“SEC. 1715. USE OF FUNDS FOR ADVANCED TELEMEDICINE**  
7                           **GRANT PROGRAMS.**

8           “Grants under sections 1712 and 1713 shall be avail-  
9           able to health care networks for the development of  
10          telemedicine networks and the acquisition or construction  
11          of telecommunications facilities and equipment includ-  
12          ing—

13           “(1) the development and acquisition through  
14           lease or purchase of computer hardware and soft-  
15           ware, audio and visual equipment, computer network  
16           equipment, telecommunications transmission facili-  
17           ties, telecommunications terminal equipment, inter-  
18           active video equipment, data terminal equipment,  
19           and other facilities and equipment that would fur-  
20           ther the purposes authorized by this part;

21           “(2) the provision of technical assistance and  
22           instruction for the development and use of such pro-  
23           gramming, equipment, or facilities;

24           “(3) the development and acquisition of instruc-  
25           tional programming; or

1           “(4) such other uses that are consistent with  
2           achieving the purposes of this part as approved by  
3           the Secretary.

4   **“SEC. 1716. DEFINITIONS.**

5           “For the purposes of this part:

6           “(1) COMPUTER NETWORKS.—The term ‘com-  
7           puter networks’ means computer hardware and soft-  
8           ware, terminals, signal conversion equipment includ-  
9           ing both modulators and demodulators, or related  
10          devices, used to communicate with other computers  
11          to process and exchange data through a tele-  
12          communication network in which signals are gen-  
13          erated, modified, or prepared for transmission, or re-  
14          ceived, via telecommunications terminal equipment  
15          and telecommunications transmission facilities.

16          “(2) DATA TERMINAL EQUIPMENT.—The term  
17          ‘data terminal equipment’ means equipment that  
18          converts user information into data signals for  
19          transmission, or reconverts the received data signals  
20          into user information, and is normally found on the  
21          terminal of a circuit and on the premises of the end  
22          user.

23          “(3) FIBER OPTIC CABLE.—The term ‘fiber  
24          optic cable’ means a bundle of optical transmission  
25          elements or waveguides usually consisting of a fiber

1 core and fiber cladding that can guide a lightwave  
2 and that are incorporated into an assembly of mate-  
3 rials that provide tensile strength and external pro-  
4 tection.

5 “(4) INTERACTIVE VIDEO EQUIPMENT.—The  
6 term ‘interactive video equipment’ means equipment  
7 used to produce and prepare for transmission audio  
8 and visual signals from at least two distant locations  
9 in order that individuals at such locations can ver-  
10 bally and visually communicate with each other, and  
11 such equipment includes monitors, other display de-  
12 vices, cameras or other recording devices, audio pick-  
13 up devices, and other related equipment.

14 “(5) HEALTH CARE NETWORK.—The term  
15 ‘rural health care network’ means a group of rural  
16 hospitals or other rural health care providers (in-  
17 cluding clinics, physicians and non-physician pri-  
18 mary care providers) that have entered into a formal  
19 relationship with each other or with nonrural hos-  
20 pitals and health care providers for the purpose of  
21 strengthening the delivery of health care services in  
22 rural areas or specifically to improve their patients’  
23 access to telemedicine services. At least 75 percent  
24 of hospitals and other health care providers partici-  
25 pating in the network shall be located in rural areas.

1           “(6) STATEWIDE FIBER OPTIC CABLE SYS-  
2       TEM.—The term ‘Statewide fiber optic cable system’  
3       means a telecommunications system that will carry  
4       voice, data, and full motion video traffic through  
5       fiber optic cable to a point of presence in every coun-  
6       ty in the State in which it is located.

7           “(7) TELECOMMUNICATIONS TERMINAL EQUIP-  
8       MENT.—The term ‘telecommunications terminal  
9       equipment’ means the assembly of telecommuni-  
10      cations equipment at the end of a circuit, normally  
11      located on the premises of the end user, that inter-  
12      faces with telecommunications transmission facili-  
13      ties, and that is used to modify, convert, encode, or  
14      otherwise prepare signals to be transmitted via such  
15      telecommunications facilities, or that is used to mod-  
16      ify, reconvert or carry signals received from such fa-  
17      cilities, the purpose of which is to accomplish the  
18      goal for which the circuit was established.

19          “(8) TELECOMMUNICATIONS TRANSMISSION FA-  
20      CILITIES.—The term ‘telecommunications trans-  
21      mission facilities’ means those facilities that trans-  
22      mit, receive, or carry data between the telecommuni-  
23      cations terminal equipment at each end of a tele-  
24      communications circuit or path. Such facilities in-  
25      clude microwave antennae, relay stations and towers,

1       other telecommunications antennae, fiber-optic ca-  
2       bles and repeaters, coaxial cables, communication  
3       satellite ground station complexes, copper cable elec-  
4       tronic equipment associated with telecommunications  
5       transmissions, and similar items as defined by the  
6       Secretary.

7       **“SEC. 1717. AUTHORIZATION OF APPROPRIATIONS.**

8       “For the purposes of carrying out this part, there are  
9       authorized to be appropriated such sums as may be nec-  
10      essary for each of the fiscal years 1994 through 1997.”.

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